

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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August 12, 2003

FROM: MARK H. UFFER, Director
Arrowhead Regional Medical Center

SUBJECT: AGREEMENTS WITH BLOOD BANK OF SAN BERNARDINO AND RIVERSIDE COUNTIES

RECOMMENDATION:

- 1) Find it is in the best interest of the County to utilize Blood Bank of San Bernardino and Riverside Counties as a sole source provider for blood and apheresis services for Medical Center patients.
- 2) Approve agreements with Blood Bank of San Bernardino and Riverside Counties for a term of one-year, effective July 1, 2003 through June 30, 2004, for blood products and Therapeutic Apheresis Services in an approximate annual amount of \$1,500,000.

Service Agreement No.

Blood Services

03-

Therapeutic Apheresis Program

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BACKGROUND INFORMATION: Approval of this agenda item will allow the Medical Center to provide blood and apheresis services to the Medical Center patients. The Medical Center is requesting the Board to approve this agreement retroactive to July 1, 2003. The item is being brought forth at this time, as it was not received from the Blood Bank of San Bernardino and Riverside Counties until July 17, 2003. The additional time was necessary to incorporate Health Insurance Portability and Accountability Act language into the agreement.

Since September 2000, the Board of Supervisors has approved agreements with the Blood Bank of San Bernardino and Riverside Counties (Blood Bank). These agreements are for Blood Services and the Therapeutic Apheresis program. (Therapeutic Apheresis is a clinical service procedure that is performed to remove circulating antigen-antibody complexes from the bloodstream of hospital patients with various blood disorders.) These Agreements are for one-year periods from July 1 through June 30. Prior to September 2000, blood products and apheresis services were covered under a purchase order as a routine supply item of the Medical Center.

Patients presenting to trauma centers and hospitals in general frequently require transfusions and other forms of blood volume expanders. These products are highly regulated and procured from the Blood Bank of San Bernardino and Riverside Counties. In the past, private companies attempted to compete with the Blood Banks, but were unable to maintain operations. As a result, the Blood Banks are sole-source vendors. The Blood Bank contracts with all hospitals in both Riverside and San Bernardino counties.

The pricing schedules for these services outline the costs for not only the Medical Center, but also other health care operations in the community. The Medical Center expended approximately \$1,400,000 for these services in Fiscal Year 2002/03. It is estimated that the Medical Center will expend a total of \$1,500,000 for blood products and apheresis services in Fiscal Year 2003/04. This increase is due to an increase in patient volumes and trauma patients, and an increase in Blood Bank fees.

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AGREEMENTS WITH BLOOD BANK OF SAN BERNARDINO AND RIVERSIDE COUNTIES**

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The Blood Bank has increased its fees due to new measures used to increase the safety of the blood supply, including a new test for West Nile Virus (with an associated increase in viral testing fees) and a requirement that platelet products be tested for bacterial contamination. With these new agreements, the Blood Bank considers the Medical Center a partner hospital, which allows the Medical Center to pay substantially lower fees than occasional users of the Blood Bank.

These agreements do not contain the indemnification and insurance language that is preferred by County Policy 11-06 SP. This is because the agreement formats are standardized by the Blood Bank for use with all organizations with which it contracts. The agreements do address the requisite insurance coverages and require the Medical Center and the Blood Bank to exchange copies of insurance certificates. Also, the long-standing relationship between the Medical Center and the Blood Bank has been amicable, which lends support to accepting the standardized language of the agreements.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel) on July 28, 2003 and HSS Administration (Carol Hughes, Administrative Analyst) on July 30, 2003.

FINANCIAL IMPACT: The annual amount of these agreements will vary based on the needs for these services by Medical Center patients. Based on past usage, these agreements are for a combined approximate annual amount of \$1,500,000 for blood products and apheresis services. Funds for these services are available in the Medical Center's Fiscal Year 2003/04 budget.

COST REDUCTION REVIEW: The County Administrative Office recommends this action as it imposes no local county costs and these services are critical to the health, safety, and welfare of the Medical Center's patients.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150

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